SUMMARY

PUTRI DHIKA SAVITRI. Innovation, Marketing Mix, Brand Image, and Usage Decision of Online Food Delivery Services. Supervised by DIAH KRISNATUTI and SUFRIN HANNAN.

The development of technology and information makes a company must innovate to create or update the products to be accepted by society. One of the uses of this technology is an online food delivery services that develop through online transportation, online restaurant delivery services, and platforms. The presence of online food delivery services is triggered by consumptive activities and the high mobility of some people, which demands of speed and practicality in all matters. This provides benefits in making it easier for people to get various choices of food and beverage variants without queuing and coming directly to the place to eat.

In addition, online food delivery services also help culinary entrepreneurs to grow and be widely recognized. But on the other hand, similar companies will compete with each other to provide services that make consumers feel comfortable and satisfied in deciding their use. To create perfect competition and become a solution for companies that are lagging behind their competitors, this study aims to (1) identify innovation, marketing mix, and brand image on online food delivery services, (2) analyze the effect of innovation and marketing mix on online food delivery service brand image, (3) analyzing the influence of innovation, marketing mix, and brand image on the decision to use online food delivery service, and (4) formulating managerial implications that can be applied to companies in managing marketing activities of online food delivery service.

This study located in Indonesia with the criteria of respondents are being users of online food delivery services, having ordered food through applications, and have used online food delivery services at least once in the last three months. Furthermore, data processing in this study is using Lisrel 8.80 software to analyze the Structural Equation Modeling (SEM) method and SPSS 25 software for descriptive analysis. In this study, there were 15 services with the most users on GoFood, GrabFood, Pizza Hut Delivery (PHD), McDelivery Indonesia (McD), Domino’s Pizza Indonesia, KFC Home Delivery, Bungkus, Kulina, Yummy Box, NuFood, SheFood, OkeFood, Lumajang Go, Hokben Delivery, and GetFood.

Data collected through a questionnaire distributed online through GoogleDocs to 292 respondents and it was found that users of online food delivery services were dominated by women aged 21 to 30 years and domiciled in Java. In addition, the average online food delivery service users are students and private employees with monthly income and expenses of less than IDR 2.000.000. The intensity of using online food delivery services are one to three times a week.

The online food delivery services innovate in three dimensions of quality, variance, and style and design through attractive application designs and regular system updates, such as chat features that ease communication between consumers and drivers. Then the marketing mix on seven dimensions of the product, price, place, promotion, people, process, and physical evidence through the interesting advertisements and drivers attributes appropriate to the company and pay attention to consumers. Meanwhile, the brand image in three dimensions of strength, favorability, and uniqueness through services is always remembered by consumers
when they are hungry and the payment rate is clear so that the service is considered to have a good reputation and credibility.

The marketing mix has a significant effect on brand image, while innovation has no significant effect on the brand image of online food delivery service. If the company implements the marketing mix properly and correctly, so trust and a positive impression will arise in the minds of consumers, while innovation does not directly create a positive impression. Furthermore, innovation and marketing mix has a significant effect on decisions, while the brand image has no significant effect on the decision to use online food delivery services. The good innovation and marketing mix will increase the possibility for consumers to use the service, while the brand image cannot be an additional reference for consumers in deciding to use.

Based on the results of this study, the suggested managerial implication is to improve marketing strategies through the availability of sufficient drivers for faster delivery times and promotional activities through electronic media by expanding the coverage area so that services can be recognized by the public at large. Also, companies need to develop innovation by creating distinctive features to make them different from competitors.

For future researchers who want to continue this research, it is recommended to develop through other factors that can influence the decision to use online food delivery services besides innovation and marketing mix variables. Then it can be done further concerning the types of food and beverage that are most ordered by consumers in applications so it can be used as additional information for companies to develop the proper strategy.

Keywords: brand image, decision to use, innovation, marketing mix, services